

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: April 11, 2017

PERSONNEL LETTER #17-010  
(CSU Only)

TO: All Campuses in the Uniform State Payroll System

FROM: Debra Spellman, Chief  
Personnel/Payroll Services Division

**RE: AFFORDABLE CARE ACT ADVANCED PREMIUM TAX CREDIT NOTIFICATION  
AND APPEAL PROCESS**

Under the Employer Shared Responsibility provisions of the Affordable Care Act (ACA), the State of California may be subject to penalties for each full-time employee<sup>1</sup> who receives an advanced premium tax credit (APTC) toward the purchase of their health coverage through Covered California, the state's health marketplace, or the U.S. Department of Health and Human Services (HHS), the federal health marketplace.

Covered California or HHS will send letters to employers with information about their employees who received an APTC toward the purchase of their health coverage through one of the health marketplaces. The notices are sent to employers if at the time of enrollment their employee attested that he/she was neither enrolled in, nor offered affordable employer-sponsored health coverage. When a notice is sent, it provides an opportunity for employers to appeal an employees' APTC eligibility if the employee was actually offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards. Appealing an employee's eligibility for an APTC could reduce the state's exposure to a penalty assessment from the Internal Revenue Service.

To facilitate the appeals process, the State Controller's Office (SCO) has developed the ACA Tax Credit Notification Intake Form (Attachment A, [http://www.sco.ca.gov/Files-PPSD/ACA\\_Tax\\_Credit\\_Notification\\_Form\\_Fillable\\_CSU.pdf](http://www.sco.ca.gov/Files-PPSD/ACA_Tax_Credit_Notification_Form_Fillable_CSU.pdf)). The California State University (CSU) human resources or benefits offices must complete this form each time a notice from Covered California or HHS is received. The information that is provided on the form will help SCO to determine whether an appeal is necessary. SCO has 90 days from the date of the notice to file an appeal if necessary.

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<sup>1</sup> Full-time employees are defined as those employees who average 130 or more hours of service during an applicable 12-month measurement period.

When a notice is received, the Chancellor's Office and campuses must gather the following information:

- Copy of notice from Covered California or HHS
- Completed ACA Tax Credit Notification Intake Form (see Attachment A, [http://www.sco.ca.gov/Files-PPSD/ACA\\_Tax\\_Credit\\_Notification\\_Form\\_Fillable\\_CSU.pdf](http://www.sco.ca.gov/Files-PPSD/ACA_Tax_Credit_Notification_Form_Fillable_CSU.pdf))
- PERS-HBD-12 (if the employee elected benefits)
- PERS-HBD-12A (if the employee declined benefits)
- Any other supporting documentation

**Within 10 days of receipt of the notice**, campuses must provide the above listed items to the Chancellor's Office at the address listed below.

ATTN: HRM Benefits  
California State University, Office of the Chancellor  
401 Golden Shore  
Long Beach, CA 90802

The Chancellor's Office will work with SCO to determine an employee's eligibility for the APTC. SCO will file an appeal if the employee was offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards.

If you have additional questions related to ACA reporting or the ACA Tax Credit Notification Intake Form, please contact ACA Online Support at (916) 322-3770 or by email at [acasupport@sco.ca.gov](mailto:acasupport@sco.ca.gov).

DS: SH: KR: ACA

State of California—Controller's Office  
 ACA Tax Credit Notification Intake Form  
 PPSD 54 (rev. 04/2017)

Instructions: Human Resources staff are to complete this form when a notification is received from Covered California (the state's health marketplace) or the U.S. Department of Health and Human Services (the federal health marketplace) about employees who received an Advanced Premium Tax Credit (APTC) for purchasing their health coverage through one of the marketplaces. Mail the completed form, the marketplace notification, a copy of the employee's HBD12 (if benefits were elected) or HBD12A (if benefits were declined) and any additional supporting documentation to the address below within 10 days of receipt of the notification.

ATTN: HRM Benefits  
 CSU Office of the Chancellor  
 401 Golden Shore  
 Long Beach, CA 90802

It is important that all information on this form is filled out correctly. The Chancellor's Office will work with SCO to determine if it is necessary to appeal the employee's eligibility for an APTC. An appeal will be filed if the employee was offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards. Appealing an employee's eligibility determination for an APTC could reduce the campus' exposure to a penalty assessment from the Internal Revenue Service under the ACA's Employer Shared Responsibility Provisions.

#### Campus Information

Campus Name   
 3-Digit Agency Code   
 Contact Person   
 Phone Number   
 Email

#### Employee Information

Employee's SSN  Employee's Name

1. Was the employee appointed to a position eligible for health benefits during the timeframe indicated on the notice?  
☐ No ☐ Yes, date of eligibility
2. Was health coverage offered to the employee?  
☐ No ☐ Yes, date offered
3. Was the employee enrolled in health coverage during the timeframe indicated on the notice?  
☐ No ☐ Yes, effective date of coverage

#### Notes


#### SCO Use Only

Date Received  Analyst Assigned  Appeal Required ☐ Yes ☐ No